



Fast Blast

From the California Student Aid Commission

August 28, 2007

From Diana Fuentes-Michel

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In support of the Commission's ongoing goal of providing California's financial aid community with proactive and current updates, we are providing this update on programs and projects. Please share this with any interested person who may not have received this newsletter.

Institutional Participation Agreement Update: Coming Down the Final Stretch

We are pleased to report that we are moving forward with our valued partners on presenting final recommendations to the Commission on September 6 for the 2008-09 Institutional Participation Agreement (IPA).

The Grant Advisory Committee and Commission staff worked through the summer on three issues for the IPA, the contract between the Commission and the institutions that administer the Cal Grant program. The three issues are **Separate Accounts**, **High School Graduation Certification** and **California Residency Determination**.

Our goal was to seek consensus with the Committee, which represents all education segments, on final proposed solutions on these critical issues. We had a special workshop in May followed by a GAC workshop in July to focus solely on remaining issues and see where we could craft approaches that met the needs of both the Commission and participating schools. As we near the end of summer, we have made great progress with the financial aid community on high school graduation certification and California residency. There are still differing positions on the issue of separate accounts and the positions will be presented to Commissioners at the Commission meeting on September 6, 2007.

It is our hope that next year's version of the IPA will be a useful resource guide for schools in administering the Cal Grant program on local campuses for years to come, and build in processes that will help further streamline rapid delivery of funds to students—a goal shared by all of us. (Meanwhile, campuses will be operating from a one-year IPA that is in place to move us smoothly through this next cycle, while the more comprehensive 2008-09 version is finalized for implementation next July.)

Our current issue papers will be posted to our IPA Web page at csac.ca.gov/doc.asp?id=1282 on Friday. Based on the Commission's decisions, staff will move forward with the issuance of the 2008-09 IPA. We will continue to share our progress with you. If you have any questions regarding the IPA, please contact Lori Nezhura at (916) 526-7261 or lnezhura@csac.ca.gov.

Following is a summary of Commission staff's issue papers, followed by the Committee's stance on these issues.

High School Confirmation

Commission Staff Position:

Commission staff recommends that the centralized high school graduation confirmation approach be pursued with implementation planned for the 2008-09 award year. Upon Commission direction, staff would implement a centralized high school graduation confirmation database and limit the payment of Cal Grant funds only for those new Entitlement Cal Grant participants that either have self-confirmed their graduation or have had their graduation status confirmed by their high school or postsecondary institution.

GAC Position:

The Committee recommends that the Commission to be the central repository.

California Residency

Commission Staff Position:

Commission staff recommends that the IPA recognize the residency determination dates at the public institutions established by their respective governing boards.

Commission staff recommends that the residence determination date for private institutions be the first day of instruction of the term in which the student is first enrolled as a Cal Grant recipient or the date that the Commission uses to determine residency for initial awarding, as long as one option is chosen over the other and applied uniformly to all students at the institution.

GAC Position:

The Committee recommends that private institutions should have the flexibility in the date determination establishing California residency. This flexibility will allow institutions to use the date the Commission uses to make the initial residency determination or the first date of instruction. Public institutions will use the existing regulations governing the determination of residency for their students.

Separate Accounts

Commission Staff Position:

Staff maintains its stance and recommends separate accounts to protect state funds held by private institutions. Commingling would be prohibited.

Staff also recommends that the Governance and Oversight Monitoring Committee consider the Grant Advisory Committee's recommendations for legislation. The Governance and Oversight Monitoring Committee is one of the four standing committees of the Commission and is responsible for any proposed or sponsored legislation, including review, development and updating of legislative principles.

GAC Position:

The Committee recommends that the Commission initiate statutory changes to allow institutions to deduct the costs incurred from establishing and maintaining interest-bearing accounts from the interest accrued; and to allow institutions to calculate the return of interest from the Cal Grant accounts based on a formula which includes a negative as well as a positive balance.

The Committee supported an inclusion of language that indicates advances made to institutions are state funds and still owned by the state. However, the Committee expressed concerns regarding the legal interpretation that allows the commingling of funds for public institutions that may cause disparity between public and private institutions.

"College Cash Box" Available in October

For a sixth year now through the Cal Grant Public Awareness campaign, the College Cash Box will be available for schools to use as a financial aid tool. In order to distribute the boxes earlier in the year, this year's all-in-one tool kits have the same look and feel as last year's and contain information that high school counselors and financial aid administrators can share with their students, including tip sheets, applications forms, videos and more.

Commission Staff Gathering Input on Cal-SOAP Budget Reduction

We are seeking input from Cal-SOAP project directors now about how we might best implement the \$2.2 million Cal-SOAP budget reduction outlined Friday in the final state budget. At the Commission's scheduled meeting next week, staff will provide a Cal-SOAP update, but Commissioners will not be asked to make a final decision. Staff will be meeting with project directors in mid-September to gather additional input and will present funding recommendations to the Commission at a special meeting scheduled for later in the month.

We appreciate everything that local campuses have been doing to support the Cal-SOAP consortia in their communities.

Commission Staff Seeks New Cal-SOAP Consortium for Solano Region

We are also seeking a new consortium for our Cal-SOAP program in the greater Solano area, which covers Yolo and Solano counties, as well as parts of Sacramento and Contra Costa counties. Our management team met with key stakeholders August 17 and obtained some excellent feedback that will help us put into place a solid local consortium. Proposals have been requested by October 10. We hope to have a planning grant awarded by mid-November, with a final contract awarded by April.

In the meantime, we intend to meet again with local stakeholders to develop an interim plan to keep a minimum level of student services going until a permanent consortium is operating next spring.

To review the Request for Proposal and other supporting documents, please visit csac.ca.gov/doc.asp?id=1303.

Talk with us—We appreciate any comments or feedback you may have regarding the *Fast Blast*. Please forward your comments to fastblast@csac.ca.gov. If this message reaches school staff who are not currently on the Commission's ListServ and wish to be added, they can log on to csac.ca.gov and click on Links and CSAC List Services.



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